UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

J. DOE 4, *et al.*,

    Plaintiffs,

  v.

ELON MUSK, *et al.*,

    Defendants.

Case No. 8:25-cv-00462-TDC

EXHIBIT INDEX

Exhibit 12:   USAID, Office of Inspector Gen., *Strategic Workforce Planning, Audit Rep. No. 9-000-22-001-P* (May 25, 2022)

EXHIBIT 12

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

Strategic Workforce Planning: Challenges Impair USAID's Ability to Establish a Comprehensive Human Capital Approach

Audit Report 9-000-22-001-P
May 25, 2022

Global and Strategic Audits Division

OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

DATE: May 25, 2022

TO: USAID/Office of Human Capital and Talent Management, Acting Chief Human Capital Officer, Peter Malnak

FROM: Director, Emily Gardiner

SUBJECT: Strategic Workforce Planning: Challenges Impair USAID's Ability to Establish a Comprehensive Human Capital Approach

This memorandum transmits the final report on our audit of USAID's human capital hiring mechanisms. Our audit objectives were to determine the extent to which USAID (1) met congressionally mandated staffing targets, identifying factors that facilitated or impeded those efforts, and (2) identified Agency-wide skill gaps and tracked progress toward addressing those gaps through its hiring practices and mechanisms. In finalizing the report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix E.

The report contains five recommendations to improve USAID's staffing, strategic workforce planning guidance, and skill-gap tracking. After reviewing information you provided in response to the draft report, we consider all five recommendations resolved but open pending completion of planned activities (recommendations 1-5).

For recommendations 1 through 5, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff provided to us during this audit.

Mot. Class Cert. J.R. 00190

Contents

Introduction

For nearly 30 years, USAID has worked to improve the efficiency and efficacy of its strategic workforce planning, yet despite these attempts, human capital management has remained one of the Agency's top challenges.[1] According to its *Interim Strategic Workforce Plan Fiscal Year (FY) 2020-FY 2022* (ISWP), the Agency needs a workforce that is talented, diverse, and adaptable to ever-changing environments to achieve its mission.[2] Further, USAID has identified that without adequate strategic workforce planning and the placement of staff with necessary skills in needed areas, the Agency will be hindered in its ability to handle new programs and innovation.[3]

In December 2019, Congress appropriated funding to USAID to increase its civil service (CS) and Foreign Service (FS) permanent staffing levels. However, the Agency has struggled to achieve the congressionally funded levels amid the COVID-19 pandemic, which significantly impacted USAID's hiring efforts.

OIG conducted this audit to evaluate USAID's progress toward meeting congressional staffing mandates as well as Agency efforts to assess and address skill gaps. Specifically, we determined the extent to which USAID (1) met congressionally funded staffing targets, identifying factors that facilitated or impeded those efforts, and (2) identified Agency-wide skill gaps and tracked progress toward addressing those gaps through its hiring practices and mechanisms.

To answer the audit objectives, we reviewed appropriations language to establish staffing targets identified and funded by Congress, as well as Agency plans and strategies that identified internal goals and objectives to meet those levels. We also reviewed and analyzed current and draft USAID human capital strategies and plans to determine the extent to which USAID had processes in place to identify and target skill gaps, determine hiring needs, and assess progress toward closing identified skill gaps. The team interviewed Office of Human Capital and Talent Management (HCTM) and operating unit staff to determine the nature of their communications related to staffing and hiring, assess how they measured progress, and request testimonial explanations of any factors that impacted USAID's hiring efforts.[4] Additionally, the team interviewed HCTM and operating unit staff to gain information on the hiring mechanisms used to fill skill gaps and requested additional information related to USAID-created guidance covering the identification, tracking, and reporting of skill gaps. Appendix A provides more details about our scope and methodology.

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[1] *Strategic workforce planning* is defined as an essential activity that an agency needs to conduct to ensure that its human capital program aligns with its current and emerging mission and programmatic goals and to ensure that the agency can meet its future needs.
[2] USAID, *Interim Strategic Workforce Plan (FY 2020-FY 2022)*, February 2020.
[3] USAID, *FY 2019 Executive Management Council on Risk and Internal Control Meeting Slides*, October 7, 2019.
[4] *Operating unit* is the collective term that USAID uses to refer to its bureaus, independent offices, and missions.

Summary

USAID did not reach congressionally funded staffing levels despite developing hiring plans, and the Agency faced challenges communicating adjustments to its hiring processes. USAID hired just over half of the planned new CS and FS staff in FY 2020. HCTM's reduced staffing levels, short hiring timelines, and COVID-19 pandemic restrictions limited the Agency's capacity to meet FY 2020 targets. Despite adjusting its hiring processes to reach hiring targets, USAID faced challenges in disseminating guidance to help staff navigate the changes and in addressing the limitations of the COVID-19 pandemic. Some process changes were intended to expedite CS hiring but increased time to hire due to a lack of written guidance. While FS hiring process changes were made to improve recruiting and onboarding, HCTM staff had difficulty adapting the traditional in-person, multiday interview process for the virtual environment of the pandemic.

USAID's ability to identify and address workforce needs was hindered by not having a common definition of skill gaps, insufficient workforce planning guidance, and the lack of a centralized tracking tool. USAID's workforce planning capabilities form a key component of its efforts to identify, deploy, and manage an optimal workforce to fulfill U.S. foreign policy objectives. USAID lacked an Agency-specific definition of "skill gap" in its existing guidance and plans, and it did not provide guidance to operating units to identify skill gaps across all the Agency's hiring mechanisms. Despite developing several personnel software tools that could be used to track skill gaps, the Agency had not fully deployed these tools. Further, the Agency had not fully assessed whether these tools would be suited to tracking skill gaps. Consequently, USAID did not centrally track skill gaps or its progress toward closing skill gaps across all hiring mechanisms.

Recommendations: We made five recommendations to improve USAID's staffing, strategic workforce planning guidance, and skill-gap tracking. USAID agreed with all five recommendations.

Background

As the lead U.S. agency providing development and humanitarian assistance, USAID manages over 9,500 staff working in more than 100 countries to provide technical and financial assistance.[5] Approximately 60 percent of USAID's staff are based overseas, while the rest are based in Washington, DC. Approximately one-third of USAID's staff are permanent direct hires falling under CS or FS categories of employment, called hiring mechanisms (see Appendix B for details on USAID's commonly used hiring mechanisms).[6] These staff are U.S. citizens who can perform inherently governmental functions, such as awarding contracts or hiring staff.

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[5] USAID, *Agency Financial Report Fiscal Year 2020,* November 2020. The 9,500 staff include all USAID hiring mechanisms except institutional support contractors as of September 30, 2020.

[6] USAID's staff fall into eight broad categories of employment, referred to as hiring mechanisms. These are: (1) civil service; (2) Foreign Service; (3) Foreign Service National; (4) Foreign Service Limited; (5) institutional support contractors; (6) personal service contractors (i.e., U.S., cooperating country nationals, and third-country nationals); (7) Participating Agency Service Agreement officers; and (8) Fellows.

The processes to hire CS and FS staff are distinct and managed by different centers within USAID's HCTM. The Human Capital Services Center (HCSC) oversees the CS hiring process while the Foreign Service Center (FSC) oversees the FS hiring process.

Recent Key Events in USAID's Hiring Process

In January 2017, an executive order initiated a Federal hiring freeze, which immediately curtailed USAID's ability to hire new CS and FS staff. Although the Office of Management and Budget (OMB) lifted the hiring freeze in April 2017, OMB directed Federal agencies to make long-term plans to reduce their workforces through attrition.

In July 2017, USAID created a Hiring Reassignment and Review Board (HRRB) to centrally approve staffing requests on a position-by-position basis. The HRRB, which remained in place until February 2020, prioritized filling critical positions through internal reassignment over external hiring.

Meanwhile, based on OMB direction, USAID's external hiring requests required approval by the Secretary of State until March 2018, when the State Department lifted its own, separate hiring freeze. However, even after the State Department lifted its hiring freeze, USAID continued to manage its staffing using the centralized HRRB process.

Under the HRRB process, USAID reported that both its CS and FS staffing levels decreased. In December 2019, Congress took notice of these staffing decreases and responded by directing USAID to create a hiring plan and timeline to reach funded staffing levels in its annual appropriations. The Further Consolidated Appropriations Act for FY 2020 designated operating expenses for USAID to rebuild its permanent CS and FS staffing levels to no less than 1,600 and 1,850 staff, respectively. At that time, USAID's operating expense-funded CS and FS staffing levels were 1,229 and 1,666 staff respectively, 23 percent and 10 percent lower than the congressionally funded levels.[7]

In February 2020, in response to the congressionally funded staffing levels specified in the act, USAID published an executive message notifying Agency staff that it was disbanding the HRRB's position-by-position review for hiring CS employees and released its ISWP to address the issues of recruitment, hiring, and staff retention. The ISWP established a hiring plan for the Agency to reach and sustain congressional targets through accelerated recruiting, hiring, and onboarding of CS and FS staff.

USAID's Human Capital Management

USAID OIG and the Government Accountability Office (GAO) have noted human capital management challenges for USAID predating the January 2017 hiring freeze and subsequent attrition under the HRRB process.[8] Since at least 2010, USAID OIG has cited human capital

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[7] Throughout this report, hiring targets, onboard staff numbers, and hiring numbers will be reported using the terms CS and FS. This data refers only to operating-expense-funded permanent CS and FS staff.

[8] USAID has worked on strategic workforce planning dating back to 1992 with USAID's workforce planning working group. GAO first cited this issue in its report, *Foreign Assistance: AID Strategic Direction and Continued Management Improvements Needed* (GAO/NSIAD-93-106), June 11, 1993. Since at least 2010, USAID OIG has cited human capital management as a top management challenge for USAID.

management as a challenge for the Agency. Specifically, OIG found in several instances that the Agency had a shortage of experienced, highly skilled personnel familiar with USAID guidelines, standards, and processes for both programming and support functions. GAO's recurring concerns include USAID's lack of tools to determine workforce needs and assess gaps. More broadly, GAO has also identified strategic human capital planning as a high-risk area across the Federal government (including USAID) since at least 2001.[9]

The Office of Personnel Management (OPM) established additional guidance in 2017 to better assist agencies with developing strong human capital practices—including alignment of their human capital planning with agency-specific missions and strategic needs—to identify and address crosscutting human capital challenges. OPM's guidance requires agencies to establish a human capital framework to plan for and manage current and future workforce needs and track progress toward skill-gap closure.[10]

- OPM defines *skill gaps* as the variance between current and projected workforce size and the skills needed to meet an agency's mission.

- GAO elaborates that a skill gap can manifest as either a staffing gap or a competency gap. An agency has a staffing gap if it does not have the necessary number of staff available to perform specific duties, while it has a competency gap if it has an adequate number of employees, but those employees lack some of the skills needed to perform their function.

To implement these requirements, USAID created a policy in October 2018 that provides direction to the Agency on human capital planning.[11] Table 1 summarizes the key roles and responsibilities in the Agency's management of human capital.

Table 1. Key Roles in USAID's Human Capital Framework

Actor	Key Roles and Responsibilities
USAID Administrator (or Designee)	• Ensuring that USAID includes applicable OPM-identified strategic workforce priorities in the Human Capital Framework and works to close Agency-specific and applicable government-wide skill gaps
Chief Human Capital Officer	• Using OPM-designated methods to identify and close Agency-specific and applicable government-wide skill gaps • Establishing and maintaining an evaluation system to evaluate human capital outcomes that is formal and documented
Office of Human Capital and Talent Management	• Providing leadership, oversight, and guidance on all Human Capital Framework systems • Issuing guidance on new and existing laws and regulations • Developing, implementing, and interpreting human capital policies, procedures, and standards

Source: USAID, ADS 401, 2018.

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[9] GAO has consistently listed this issue in its biannual reporting as recently as 2019 in *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas* (GAO-19-157SP), March 6, 2019.
[10] Title 5 of the *Code of Federal Regulations*, Part 250 (2016).
[11] USAID, Automated Directives System (ADS), Chapter 401, "USAID's Human Capital Framework," October 2018.

Mot. Class Cert. J.R. 00195

USAID Did Not Reach Congressionally Funded Staffing Levels Despite Developing Hiring Plans, and the Agency Faced Challenges Communicating Adjustments to its Hiring Processes

USAID's ISWP set original staffing targets for FY 2020 and established a timeline to reach congressionally funded staffing levels in FY 2021. However, HCTM reported to Congress an inability to meet its ISWP targets for the fiscal year due to reduced HCTM staffing levels, short hiring timelines, and COVID-19 pandemic restrictions. Despite lowering its staffing targets and adjusting its processes to reach these targets, USAID hired just over half of the planned CS and FS staff in FY 2020. The Agency faced challenges disseminating guidance to help staff navigate changes, communicating the interview process for prospective employees, and addressing the limitations of the COVID-19 pandemic.

USAID Hired Just Over Half of the Planned Civil Service and Foreign Service Staff in Fiscal Year 2020

USAID's ISWP established a hiring plan for USAID to reach congressionally funded staffing levels. USAID planned to hire 397 CS and 174 FS staff in FY 2020 to reach headcounts of 1,500 CS and 1,800 FS staff and planned to meet congressionally funded staffing levels of 1,600 CS and 1,850 FS staff by the end of FY 2021.[12] However, USAID did not meet its planned hiring target or headcount for FY 2020. Table 2 shows USAID's beginning and ending staff headcounts for FY 2020, as well as ISWP target headcounts for FY 2020 and FY 2021.

Table 2. USAID's Progress Toward Target Headcounts

	FY 2020 Beginning Headcount	FY 2020 Final Headcount[a]	FY 2020 Target Headcount	FY 2021 Target Headcount
Civil Service	1,232	1,336	1,500	1,600
Foreign Service	1,691	1,701	1,800	1,850

[a] September 30, 2020, data reported by HCTM using data pulled from the National Finance Center.
Source: OIG-generated based on USAID's ISWP.
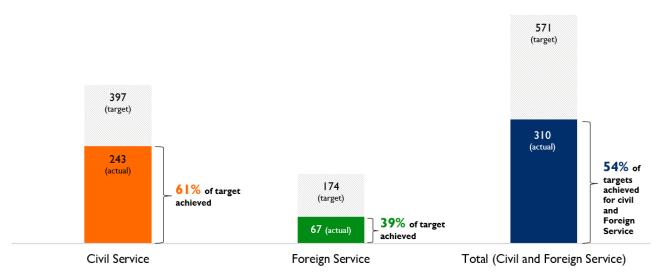
Although the ISWP hiring plan initially targeted hiring 397 CS staff and 174 FS staff in FY 2020 to reach the congressionally funded staffing levels, senior HCTM officials referred to these targets as a stretch even prior to the shift to telework in March 2020 in response to COVID-19. Despite this reservation, HCTM reported to Congress later that month that the Agency would reach 1,500 CS staff in FY 2020, even with the challenges created by COVID-19. However, in the same report, HCTM adjusted its hiring plan for FS staff, noting that due to challenges created by COVID-19, the Agency only anticipated hiring 80-85 FS staff. In August 2020, HCTM stopped reporting to Congress that it anticipated meeting its FY 2020 ISWP

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[12] In this report, we use *headcount* in reference to the number of staff on board and *staffing levels* in reference to the number of staff funded by legislation.

target, and in early September 2020, the chief human capital officer predicted ending the fiscal year with between 1,410 and 1,450 CS staff and approximately 1,710 FS staff on board.[13]

By the end of FY 2020, HCTM had hired 310 CS and FS staff combined, reaching only 54 percent of its total CS and FS hiring targets. Figure 1 shows the progress that HCTM made on hiring for both CS and FS staff.

Figure 1. HCTM Progress on Hiring Targets
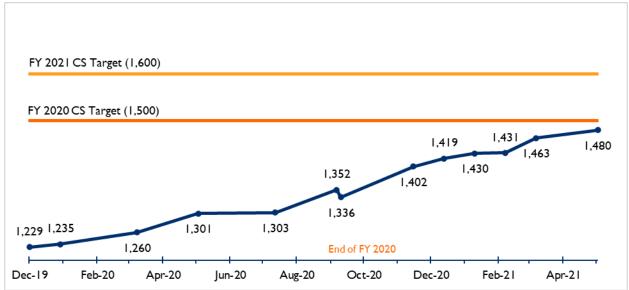
Note: The totals included in this figure do not reflect employee attrition.
Source: OIG-generated based on HCTM-reported data.

By late May 2021, HCTM had not yet met its FY 2020 target headcounts for CS and FS staff. In a staffing report from May 22, 2021—the latest data that HCTM made available to OIG during the audit—USAID had only 1,480 CS staff and 1,699 FS staff on board. Figures 2 and 3 show the change in USAID's CS and FS headcounts from December 2019 to May 2021.

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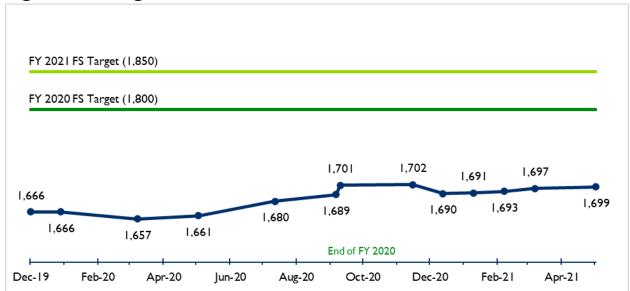
[13] The methodology used to count staffing levels in FY 2020 led to overcounting some CS staff, according to the HCTM office responsible for workforce data. HCTM used this methodology throughout FY 2020 and corrected it in FY 2021 to achieve a more accurate count of the CS staff. Following the adjustment to the methodology to count CS staff, USAID fell short of both the ISWP target and its September 2020 estimate.

Figure 2. Civil Service Headcount

Source: OIG-generated based on HCTM-reported data.

Figure 3. Foreign Service Headcount

Source: OIG-generated based on HCTM-reported data.

HCTM's Reduced Staffing Levels, Short Hiring Timelines, and COVID-19 Pandemic Restrictions Limited the Agency's Capacity to Meet Fiscal Year 2020 Targets

HCTM's capacity to support hiring was limited by understaffing within the office. A senior official referred to HCTM's internal staffing as a "triage situation" in 2018, and in September 2019, HCTM still had a significant staffing shortage with approximately one-third of positions unfilled. Even prior to the start of pandemic-ordered telework, HCTM officials knew they

would not be able to reach congressionally funded staffing levels in FY 2020. Senior HCTM officials stated that human capital had been an area with significant historical underinvestment in terms of staffing, tools, and processes, and previously lacked the capacity to hire and retain talent. As such, the ISWP recognized the need to rebuild HCTM's capacity to support hiring.

In 2016, prior to the Federal hiring freeze, HCTM was allocated 143 CS and FS positions for the office through USAID's internal workforce planning and budgeting exercises. However, it was unable to hire up to or maintain this number of employees. In September 2019, HCTM only had 94 CS and FS staff on board. By February 2021, HCTM still had not reached its allocated CS and FS staffing level, with 113 CS and FS staff on board. Figure 4 illustrates HCTM's CS and FS (direct-hire) staffing allocation and headcounts throughout its hiring effort.
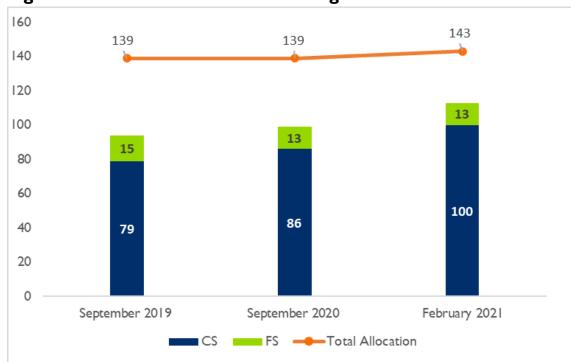
Figure 4. HCTM's Direct-Hire Staffing Levels and Headcounts

Source: OIG analysis of HCTM staffing data.

One senior HCTM leader noted that previous understaffing within the office had limited HCTM's ability to take on strategic advisory roles, with staff focused on day-to-day transactional work. In addition to increasing its CS and FS staffing, this HCTM senior leader stated that HCTM anticipated increasing institutional support contractors in the office from approximately 80 to 125 over the course of FY 2020. An HCSC senior leader explained that hiring additional staff through contract mechanisms allowed direct-hire staff to focus on longer-term needs and take on human resource advisory roles. However, these staff were not brought on board until after the end of FY 2020. By February 2021, HCTM had increased its headcount of institutional support contractors on staff to 121.

HCTM's limited staffing was further stretched by a short timeline to reach new congressionally funded levels. Prior to the passage of the Further Consolidated Appropriations Act for FY 2020, USAID had used HRRB to manage hiring, which had been developed under OMB

guidance to achieve both near- and long-term workforce reductions. The act came into effect in late December 2019, more than 2 months into FY 2020, leaving 9 months for USAID to meet the new FY 2020 targets.

After Congress established the funded staffing levels in December 2019, it took USAID 2 months to develop and approve its hiring plan. The Agency analyzed pre-hiring-freeze staffing levels and attrition to determine the number of positions available to each bureau and independent office. On February 1, 2020, USAID ended its requirement for operating units to get HRRB approval for each CS hiring action. However, the Agency did not establish funded staffing levels for each unit to hire against until the February 20, 2020, publication of the ISWP—more than halfway into the second quarter of FY 2020.

This shortened timeline was further complicated by the impacts of COVID-19. Shortly after the publication of the ISWP, on March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 20, USAID mandated telework for domestic employees. According to HCTM officials, many hiring processes needed to be changed to accommodate a telework-only environment. This shift put additional pressure on HCTM's limited hiring and onboarding of staff. Figure 5 illustrates key human capital dates for FY 2020, including USAID's declaration of mandatory telework for domestic employees.

Figure 5. FY 2020 Hiring Timeline

Source: OIG analysis.

Because USAID did not reach its FY 2020 hiring targets, it would need to make up this deficit in FY 2021, putting additional pressure on hiring timelines. Without adequate staff, HCTM risks not being able to meet USAID's current and future program demands and goals.

USAID Adjusted Its Processes to Reach Hiring Targets but Faced Challenges in Disseminating Guidance to Help Staff Navigate the Changes and in Addressing the Limitations of the COVID-19 Pandemic

To reach congressionally funded staffing levels by the end of FY 2021, HCTM had to adjust its processes to recruit and hire both CS and FS staff. However, the office did not develop formal guidance or disseminate a clear communication strategy. This resulted in confusion at the operating unit level and, as a result, limited the effectiveness of the modified hiring procedures.

According to Federal standards for internal control, management should implement control activities through policies, to include human capital management.[14] Further, the standards establish management's responsibilities to communicate quality information—information that is accurate, timely, and complete—down and across reporting lines so that the staff can implement the activities for their assigned responsibilities.[15]

Since March 2020, HCSC shifted its hiring process to a virtual work environment and implemented several additional process changes aimed at reducing the time to hire CS staff. Process changes included keeping certain vacancy announcements open on a continual basis and consolidating vacancies into batch postings, where traditionally each vacancy posted was for one individual.[16] HCSC leadership stated that batch hiring has enabled the Agency to hire up to 12 candidates from a single certificate, saving the time required to repost positions and review additional resumes (see Appendix C for a flowchart outlining the CS hiring process).[17]

Table 3 shows a summary of the process changes intended to expedite the hiring process that HCSC shared with internal employee groups focused on key functions such as human capital and onboarding in February 2020.

Table 3. Civil Service Hiring Process Changes

Process Changes and Flexibilities	Description
Open-Continuous Vacancy Announcements	• Mandatory open-continuous vacancy announcements for commonly filled positions
Batch Hiring	• Multiple openings posted using a single vacancy announcement • Bureaus and independent offices share a certificate
Standard Position Descriptions	• Bureaus and independent offices use HCTM-created position descriptions for common occupations
Maximized Policy Flexibilities	• Increased use of application caps • Shortened number of days vacancies posted

[14] GAO, *Standards for Internal Control in the Federal Government* (GAO-14-704G), "Control Activities," Principle 12, "Implement Control Activities," September 2014.

[15] GAO, *Standards for Internal Control in the Federal Government*, "Control Activities," Principle 14, "Communicate Internally," September 2014.

[16] HCSC coordinated with different operating units to combine vacancy announcements under a single solicitation (i.e., batch solicitation) that had similar needs.

[17] A *certificate* refers to a list of candidates who have passed the resume-screening process and have been determined to meet the minimum qualifications required to be eligible for an interview.

Process Changes and Flexibilities	Description
Subject Matter Expert (SME) Panels	• Increased use of bureaus' and independent offices' subject matter experts to review candidate resumes rather than HCTM review
Strategic Conversations	• Mandatory conversations on the knowledge and competencies required for the vacancy between HCTM, bureaus, and independent offices prior to recruitment

Source: OIG summary of USAID information.

However, HCSC did not develop or disseminate a batch hiring policy to help guide bureau and independent office hiring, and several operating units described issues with the batch hiring process related to communication and collaboration. For example:

- Officials from a regional bureau stated that batch hiring took triple the time to issue certificates due to problems with inter-bureau collaboration around the batch certification process.

- An official from a headquarters bureau stated that HCTM did not define appropriate processes to determine which individuals were being interviewed by more than one USAID bureau, leading to individuals being interviewed for the same position in multiple bureaus.

- Officials from a functional bureau explained that they could not search through batch certificates based on the criteria in the job announcement, and that previous employment grades of employees were not recorded in the system.

A senior HCSC official described providing verbal and written guidance to administrative and management support staff across the Agency's operating units on hiring process changes; however, USAID did not develop a written policy on the new batch hiring procedure. Additionally, HCSC had difficulty keeping up with the increased hiring volume created by the batch hiring process. According to HCSC data, evaluating resumes under the batch hiring process took 89 days on average—approximately 6 times longer than the office's standard review of 15 days when not using batch hiring. While HCSC estimated the time for certificate evaluation, it did not have any metrics on the time to hire. In March 2021, HCSC also found multiple bottlenecks in the hiring process, resulting in 65 percent of hiring actions for positions in the pipeline being overdue. The largest share of overdue actions came from certificates: HCSC noted that 81 percent (70 of 86) of certificates were overdue, representing almost 43 percent of all overdue hiring actions (163 in total).

Further, independent offices identified additional communication challenges with HCTM during the CS hiring process, including sometimes contradictory guidance, a lack of updated standard operating procedures, high turnover of HCTM's human resource specialists, and bottlenecks in the HCTM review.

In relation to the FS hiring process, FSC created new standard operating procedures for recruiting and onboarding FS staff. A senior FSC staff member stated that COVID-19 also impacted FS hiring by limiting the office's ability to conduct interviews and, as a result, FSC developed a virtual recruitment and hiring process for FS staff. However, it had little documentation of the FS hiring process prior to the hiring freeze to aid in the transition from in-person to a virtual recruiting process. According to this FSC senior staff member, the

Agency's FS hiring had previously been managed by an external contractor. When the contract was discontinued, FSC was left with little guidance on the hiring process. The available guidance that FSC staff had access to was only three pages long and had limited details, so staff had to expand this document into a full-fledged standard operating procedure. Due to the lack of detailed guidance on the pre-freeze hiring process and staffing shortages, it took FSC approximately 2 months to shift its interview process from in-person to virtual, including time to develop training materials, train hiring managers, and ensure the security of the virtual interview platform.

Although FSC shifted its hiring process to a virtual environment, the pandemic created additional limitations. For example, FSC was only able to conduct three to four individual virtual interviews per day due to the additional technical requirements. Prior to the pandemic, it typically conducted in-person, multiday interviews with five to six individuals per group. Further, one condition of employment for applicants seeking an FS appointment—the medical clearance—is managed by the State Department's Medical Office. A senior FSC staff member stated that the State Department's Medical Office took approximately 3 months to conduct medical clearances during the pandemic, up from an average of 3-4 weeks prior to COVID-19. While outside of USAID's control, this also increased FSC's time to hire prospective FS officers.

As a result of the challenges in developing a new standard operating procedure and restarting the FS hiring process in a virtual environment, FSC was only able to bring on 12 staff from new solicitations in FY 2020. The majority of the 63 new staff brought on had been interviewed and selected prior to the hiring freeze.

USAID's Ability to Identify Workforce Needs Was Hindered by Not Having a Common Definition of Skill Gaps, Insufficient Planning Guidance, and the Lack of a Centralized Planning Tool

As required by Federal regulations, USAID established a Human Capital Framework, Human Capital Operating Plan, and Strategic Workforce Plan. However, the Strategic Workforce Plan was not updated as planned, and a key workforce planning policy remained in draft. While USAID established some Agency-wide human capital plans and guidance, sampled operating units observed that they had not been provided with workforce planning guidance. Furthermore, USAID did not establish a common definition of "skill gap" in any of these human capital materials, leading to inconsistent interpretations and approaches across the Agency to identify and address these gaps. Additionally, USAID did not have a centralized tracking tool that comprehensively assessed the Agency's skill gaps and progress toward closing these gaps despite having multiple tools on hand to do so.

USAID Has Taken Steps to Assess Workforce Needs but Has Not Established a Common Definition of Skill Gaps or Provided Operating Units with Sufficient Guidance on How to Conduct Strategic Workforce Planning

In accordance with Federal regulations, USAID established its Human Capital Framework, ISWP, and Human Capital Operating Plan.[18] This included identifying needs related to its mission-critical occupations—those government-wide occupations defined by OPM as most directly impacting an agency's ability to accomplish its mission. Consistent with this, the Agency identified and tracked two mission-critical occupations for its CS staff within its FY 2018 Human Capital Operating Plan—information technology (cybersecurity) and human resources (HR specialist). Although identified as a mission-critical occupation, HCTM officials stated that HR specialists were not perceived to be a "high-risk" occupation at the Agency. As part of the Human Capital Review process, also mandated by Federal regulations, USAID is required to report to OPM on its progress toward its Human Capital Operating Plan goals, including the mission-critical occupation gaps.[19] As of March 2021, USAID considered that it no longer had a shortage of either cybersecurity or HR specialist staff, and HCTM officials stated that OPM had concurred with the closure of mission-critical occupation gaps at the Agency. Outside of this federally mandated mission-critical occupation process, a senior HCTM official observed that USAID did not have the ability to conduct a skill gap analysis at a high level.

In relation to the FS workforce, USAID also identified some critical backstops—those with the greatest gap between current staffing levels and number of vacancies—within its ISWP.[20] The five critical backstops were executive, financial, health, legal, and contracting officers. USAID prioritized some hiring efforts within the FS workforce around these particular backstops.

However, many of USAID's human capital plans, policies, and procedures remain in draft, including its update to the ISWP and an Automated Directives System (ADS) chapter addressing strategic workforce planning. As a result, its human capital goals and priorities may be outdated and not reflect challenges or subsequent progress toward identified priorities and needs. The Agency's draft Strategic Workforce Plan identified the importance of adjusting its workforce planning to address progress toward its current recruitment and hiring goals as well as the unique contingencies introduced by the COVID-19 pandemic. However, while it has updated its Human Capital Operating Plan, USAID had yet to finalize revisions to its Strategic Workforce Plan, which remained in draft as of November 2021.

Within its existing human capital plans, policies, and procedures, USAID did not provide guidance to operating units to identify skill gaps across the full range of hiring mechanisms it uses and it lacked an Agency-specific definition of skill gap. Although USAID's Human Capital Framework does identify Agency-wide roles and responsibilities related to strategic workforce

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[18] 5 CFR § 250 (2016).

[19] HRStat is a quarterly review process, which is a component of an agency's strategic planning and alignment and evaluation systems. HRStat is intended to identify, measure, and analyze human capital data to inform the impact of an agency's human capital management on organizational results.

[20] A *backstop* is the term for occupational categories in the FS.

planning, it does not establish a consistent approach for operating units to identify skill gaps or assess progress toward their closure. The framework also does not establish an Agency-specific definition of skill gaps that considers the Agency's range of hiring mechanisms and differentiates between competency and staffing gaps. While USAID's operating units operate in a wide range of contexts, the absence of any Agency-wide guidance on skill gaps increases the risk that individual operating units may not be addressing skill gaps in a consistent and effective manner.

In the absence of an Agency-specific definition of skill gaps, Agency staff used the term in a variety of ways, with some considering both staffing and competency components, while others addressed only one aspect without considering the other. For example, during discussions related to skill gaps, some senior HCTM officials addressed both staffing gaps and the competency of existing staff, while others addressed only one in isolation.

In addition, selected operating units reported that they had not received formal guidance from HCTM on key strategic workforce planning activities, including skill gap identification. A senior HCTM official explained that operating units provided skill gap information to their office through regular workforce planning conversations rather than any specific process. Out of the 15 operating units reviewed, 10 reported not receiving guidance from HCTM on how to identify skill gaps across the range of hiring mechanisms used by the Agency. Further, five of the eight Washington-based operating units and five of the seven missions reviewed reported that they had not received guidance from HCTM on how to assess workforce needs.

In the absence of clear Agency-wide policies and procedures, operating units have developed ad hoc approaches toward assessing their workforce needs and identifying and addressing skill gaps. However, staff across operating units identified mixed results on developing operating-unit-specific policies related to workforce planning or processes to analyze their workforce needs, despite providing HCTM with justifications for staffing levels at multiple points in the budget and hiring processes. Specifically, none of the seven missions reviewed had established standard operating procedures on reviewing their workforce needs, and six of the eight Washington-based operating units reviewed acknowledged not having written standard operating procedures on reviewing workforce needs.

Without current strategic workforce planning guidance—to include plans, policies, and procedures—USAID lacked a comprehensive approach to human capital management. This is important to address the Agency's unique mix of hiring mechanisms, the role of its operating units in identifying needs across USAID's global footprint, subsequent Agency progress toward staffing targets, and current goals and objectives to ensure that its human capital practices are aligned with its mission. As a result, USAID risks missing an opportunity to strategically hire and manage its human capital resources to meet workforce needs and fully address Agency-wide skill gaps.

USAID Did Not Centrally Track and Measure Progress in Addressing Skill Gaps, and Available Human Capital Tools Were Not Fully Deployed or Assessed

Despite Federal requirements, USAID did not centrally track skill gaps or Agency progress toward closing skill gaps across its hiring mechanisms.[21] In addition, HCTM had not fully deployed personnel software tools, such as Talent Analytics and LaunchPad (which could be used to track skill gaps) and had not fully assessed whether these tools would be suited for this function.[22]

A senior HCTM official stated that the office did not centrally track skill gaps but noted that the bureaus were responsible for tracking their own skill gaps. However, six of the eight Washington-based operating units and all seven missions reviewed did not report tracking skill gaps for their offices. Seven of the eight Washington-based operating units also did not report sharing any skill gap information with HCTM.

Another senior HCTM official stated that HCTM has consistently tracked occupational series metrics for CS staff, but this process has not always been centralized.[23]

While USAID's Human Capital Operating Plan, Human Capital Framework, and draft ADS chapter on strategic workforce planning all acknowledged that skill-gap tracking is an element of ensuring that staff have the necessary competencies for USAID to fulfill its mission, none of these documents specified a tool or system of record to conduct this activity at an Agency-wide level. A senior HCTM official stated that Talent Analytics could potentially be used to track skill gaps with respect to occupational series (CS) and backstop (FS) metrics in the future. According to this official, HCTM planned to use Talent Analytics as a central repository for these metrics.

Along with Talent Analytics, USAID had, or was considering, several other systems or tools that could potentially track skill gaps at the Agency-wide level. However, most of these tools were not fully deployed or were not being used to capture skill gap information because they were adopted by the Agency at different times for various needs. While USAID has noted some system-specific limitations for these tools, the Agency has not formally assessed the tools to determine if one or more is suited to track Agency progress toward closing skill gaps across hiring mechanisms. Table 4 outlines these systems and associated limitations.

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[21] 5 CFR § 250 (2016).

[22] Software tools and programs are typically developed incrementally to test features and functionality and incorporate customer feedback. This process is called *deployment* and is repeated until the software reaches the customer's desired level of functionality and requirements. In this report, we refer to the spectrum of deployment of USAID's human capital software tools as not deployed, partially deployed, or fully deployed.

[23] An *occupational series* is a subdivision within a wider occupational group.

Table 4. USAID Developmental Human Capital Tools and Limitations

Name	Description	Limitations [a]	Deployment Status
Talent Analytics	• A workforce data-reporting tool that aggregates personnel information from multiple payroll systems, including the National Finance Center, WebPass, and the Overseas Personnel System. • Allows users to understand and analyze the current workforce and generate routine and ad hoc personnel reports.	• Use will not be required. • Data sources not directly managed by USAID. • Only includes CS, FS, and U.S. Personal Services Contractor personnel data; does not include information on other Agency hiring mechanisms.	• Partially deployed
LaunchPad	• A workflow management tool for HCTM staff that stores personnel performance information and records, assessment information, and work assignments. • Allows for increased visibility into the strengths of USAID's workforce and where skill gaps might exist. • A data source for Talent Analytics, including institutional support contractor data.	• Opaque customer service process to correct errors identified by operating units.	• Fully deployed • Active as of 2018
Workforce Planning Model	• A data analysis tool that captures FS staff in the Agency's missions by backstop and location. • Can run staffing simulations, including projections for future staffing needs.	• Does not include Washington-based CS or FS staff.[b]	• Partially deployed
Competency Exploration for Development and Readiness (CEDAR)	• An OPM-developed online assessment tool to determine employee competency proficiency levels and identify strengths and gaps. • The aggregated results can be used to support Agency competency gap analyses, including for specific mission-critical occupations, and for personnel training and development efforts. • OPM created CEDAR to support agencies in efforts to close skill gaps as required by 5 CFR § 250.	• Unknown.	• Not deployed • Under review by USAID

[a] Limitations include factors that could potentially minimize the effectiveness of the tool, as identified by USAID or through OIG analysis.
[b] There are generally no USAID CS employees at overseas locations; rather, if overseas, CS staff would be converted to an alternate hiring mechanism for the duration of their time and captured under that hiring mechanism.
Source: OIG analysis.

At the time of the audit, Talent Analytics had been partially deployed. HCTM was rolling out the tool to USAID staff with human capital responsibilities and had conducted multiple trainings with these personnel. LaunchPad had been fully deployed. However, selected operating units expressed mixed results in terms of reporting personnel data in LaunchPad and having those issues resolved successfully or in a timely manner. For example:

- Officials from one mission noted that they had seen some improvement in the Agency's data tracking and HR systems, but also noted that challenges remained. For example, LaunchPad was difficult to learn and use when attempting to verify that FS overseas assignments had been processed.

- Officials from a regional bureau expressed significant concerns with LaunchPad, citing a lack of data integration within the system and built-in modules not being tailored to the bureau's needs. Further, regional bureau staff noted that information was rarely synchronized across HCTM's multiple data systems, resulting in staffing data inaccuracies, particularly when staff changed posts.

USAID's Workforce Planning Model—a tool designed to analyze strategic, operational, and financial factors impacting an operating unit's functionality—has the potential to address staffing skill gaps according to HCTM, but also had not been fully deployed. Unlike Talent Analytics and LaunchPad, which aggregate personnel data from various databases, the Workforce Planning Model is designed to allow comparison of the demand for different skill groups to the number of staff in each skill group by operating unit.

According to HCTM staff, the Workforce Planning Model is intended to conduct predictive analysis for staffing allocations that are data driven and aligned to operating unit priorities. The Agency was creating unique system components for CS and FS within the Workforce Planning Model to provide staffing recommendations for these two mechanisms.

USAID's lack of a comprehensive workforce planning tool—one that addresses all Agency hiring mechanisms—may limit its ability to consistently meet the widely varying needs of its individual operating units. While HCTM reported that Foreign Service Nationals, who comprise most of USAID's staff, are addressed as part of the FS component of the Workforce Planning Model, HCTM had not incorporated personal services or institutional support contractor staff into these models at the time of the audit. In FY 2020, personal services contractors comprised nearly 12 percent of USAID's workforce, according to the Agency's Annual Financial Report; the report did not include institutional support contractors as part of the Agency's workforce assessment. [24]

Initially, a senior HCTM official stated that the number of these contractors was tallied on a per contract basis through a decentralized process. Currently, HCTM uses LaunchPad as the central source for institutional support contractor data and plans to use it as a source of FS backstop information in the future. However, at the time of this audit, the Workforce Planning Model may not reflect important interrelationships between its staff hired across the full range of hiring mechanisms available to the Agency.

Lastly, HCTM staff had not determined whether the Agency would adopt OPM's CEDAR tool. As a result, USAID may be losing or delaying the benefit of CEDAR's potential utility in tracking skill gaps Agency-wide and comparing those to government-wide skill gaps.

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[24] USAID, *FY 2020 Agency Financial Report: A Foundation Built on Decades of Global Health Investment*, November 2020.

Without USAID's assessment and use of an appropriate tool, the Agency also risks noncompliance with the skill gap closure Federal requirements, which could limit future workforce planning efforts due to a lack of skill and competency data on its existing workforce.

Conclusion

USAID's ability to meet and maintain sufficient staffing levels while addressing skill gaps impacts the overall effectiveness of the Agency, with potential consequences to its ability to align human capital resources with its evolving mission. The Agency has taken significant steps in the past several years to overcome major external obstacles—namely, the lasting effects of a Federal hiring freeze and the many obstacles presented by a pandemic. However, some challenges to the Agency's strategic workforce planning remain unaddressed and within its control. For instance, while USAID established strategic human capital plans and strategies that were consistent with statutory requirements and Federal regulations, without workforce planning guidance, inconsistencies may remain across the Agency. Furthermore, key policy documents remain in draft, hindering the Agency's ability to implement a systematic and Agency-wide human capital management approach across all hiring mechanisms. Without sufficient staffing levels, adequate plans, policies, procedures, and comprehensive workforce planning tools, USAID risks inefficiencies as it seeks to fulfill its mission of saving lives, reducing poverty, strengthening democratic governance, and helping people emerge from humanitarian crises.

Recommendations

We recommend that the Office of Human Capital and Talent Management take the following actions:

1. Develop a plan to fill and retain the allocated number of Office of Human Capital and Talent Management staff needed to fulfill its duties in the hiring and onboarding process.

2. Develop and disseminate policies for the revised civil service recruitment and hiring process and standard operating procedures for the modified Foreign Service staff hiring and onboarding processes.

3. Create a USAID-specific definition of skill gaps to address both competency and staffing skill gaps across its hiring mechanisms.

4. Finalize strategic workforce planning guidance, to include USAID's updated Strategic Workforce Plan, workforce planning Automated Directives System chapter, and materials to assist Agency operating units in identifying and addressing skill gaps.

5. Conduct an analysis to determine whether personnel tools—e.g., Talent Analytics, LaunchPad, the Workforce Planning Model, or the Competency Exploration for Development and Readiness—can be utilized to track skill gaps at both an Agency and operating unit level and implement changes as appropriate based on this analysis.

OIG Response to Agency Comments

We provided our draft report to USAID on March 10, 2022. On April 15, 2022, we received the Agency's response, which is included as Appendix E of this report.

 The Agency also provided technical comments, which we considered and incorporated as appropriate.

The report included five recommendations. We acknowledge management decision on all five recommendations and consider all of them resolved but open pending completion of planned activities (recommendations 1-5).

Appendix A. Scope and Methodology

We conducted our work from July 2020 to March 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit objectives were to assess the extent to which USAID (1) met congressionally mandated staffing targets, identifying factors that facilitated or impeded those efforts, and (2) identified Agency-wide skill gaps and tracked progress toward addressing those gaps through its hiring practices and mechanisms.

In planning and performing the audit, we gained an understanding and assessed internal controls that were significant to the audit objectives. Specifically, we designed and conducted procedures related to 10 internal control principles under 4 of the 5 components of internal control as defined by GAO.[25] These included the Control Environment (principles 3-5), Risk Assessment (principles 6-7), Control Activities (principles 10-11), and Information and Communication (principles 13-15).

Our audit scope included USAID's human capital efforts, guidance, strategies, plans, and reports related to hiring, strategic workforce planning, skill gap identification, performance measurement, and reporting beginning in April 2017 and continuing through March 2022. This included the Agency's efforts to reach congressionally funded staffing levels and skill gap identification, tracking, and reporting. The team selected April 2017 to reflect the implementation of Code of Federal Regulations (CFR) requirements and to ensure that USAID's hiring freeze and the activities of HRRB were not excluded as potential factors impacting USAID's ability to meet its goals and objectives (as well as any impacts on the Agency's ability to close identified skill gaps and mission-critical occupations).[26]

To address both audit objectives, we reviewed publicly available materials on Federal and USAID-specific human capital efforts, including relevant legislation and regulations, congressional notifications and testimony, and performance audits previously issued by GAO. We identified, reviewed, and analyzed U.S. supplemental appropriation laws and key U.S. government planning materials for human capital at the government-wide level to obtain a better understanding of crosscutting human capital issues and requirements.

We reviewed USAID's (1) policies and procedures related to the Agency's human capital efforts, (2) human capital plans and strategies, (3) internal workforce planning materials, (4) standard operating procedures and business rules, (5) internal work products, (6) budget planning documentation, and (7) internal and external performance management documentation. These internal and external performance management documents included

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[25] GAO, *Standards for Internal Control in the Federal Government*, September 2014.
[26] 5 CFR § 250 (2016).

internal HCTM assessments, HRStat presentations, OPM-required reporting documentation, and mandated 60-day congressional staffing reports.

We reviewed internal and external staffing reports to determine the extent to which USAID reached congressionally funded staffing levels and justification for missing those levels. As part of this review, we assessed the reliability of USAID-provided human capital metrics through a review of existing information about the data and the systems used to produce them. Additionally, we conducted interviews with Agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

We also interviewed officials from USAID's HCTM and a judgmental sample of its operating units—i.e., USAID bureaus, independent offices, and missions. The team conducted interviews with administrative and management support officers and other key personnel across a total of 16 USAID operating units, excluding HCTM and its constituent offices. Due to the COVID-19 pandemic, we conducted virtual interviews by teleconference or videoconference with USAID officials. These interviews allowed the team to assess communications between HCTM and operating units regarding operating unit hiring needs, strategic workforce planning efforts, perceptions of human capital guidance, human capital performance management efforts, as well as skill gap identification, tracking, and reporting.

Our judgmental sample of 16 USAID operating units was comprised of 6 bureaus, 3 independent offices, and 7 missions. This sample was drawn from a population composed of 17 bureaus, 8 independent offices, and 95 presence missions. A presence mission is defined as those missions that have at least one FS staff member allocated. There were 122 missions in total. Our selection was based on consideration of geographic and size variety among USAID's operating units to ensure that differences across these units were accounted for, as well as any impact on field-headquarters operations and coordination. We reviewed USAID's staffing patterns and 60-day congressional reports to organize the operating units by type, region, and size to ensure that units from each category were included in our sample. As a result of the judgmental nature of the sample, our results may not be generalizable across USAID's operating units. One operating unit was subsequently excluded from the sample due to unit-specific anomalies; therefore, our final sample consisted of 15 operating units.

In addition to interviewing operating unit staff, the team conducted interviews with a range of officials within HCTM's suboffices. These included interviews with officials from its Office of Workforce Planning, Policy, and Systems Management; Foreign Service Center; Human Capital Services Center; and Center for Overseas Human Capital Initiatives. These interviews focused on roles and responsibilities across the Agency with respect to strategic workforce planning and hiring (particularly as they relate to its efforts to meet congressionally funded staffing levels), the development of human-capital-related policies and procedures, performance management, skill gaps, and human capital tools or systems.

To answer the first objective, we also reviewed appropriations language to establish staffing targets identified and funded by Congress, as well as Agency plans and strategies identifying internal goals and objectives to meet these levels. We assessed whether USAID's goals and objectives were suitable to meet congressional targets in a timely manner. We then used staffing reports and associated metrics to compare actual staffing levels to these internal and

congressionally funded targets, as well as the difference between these numbers. To determine if any factors impacted USAID's hiring efforts, the team interviewed HCTM and operating unit staff to identify how these units communicated and measured progress and to request testimonial explanations of factors that promoted or inhibited USAID's hiring rate. We also reviewed on-board staffing levels over time to determine overall trends. The team assessed Agency policies and procedures to determine whether USAID had current and relevant guidance related to strategic workforce planning, particularly related to establishing goals and objectives. We requested any USAID contingency planning documentation to determine the extent to which the Agency was appropriately prepared for contingencies, such as the COVID-19 pandemic, but found that USAID did not have any contingency planning documents.

To answer the second objective, we reviewed and analyzed current and draft USAID human capital strategies and plans to determine the extent to which USAID had processes in place to identify and target skill gaps, determine hiring needs, and assess progress toward closing identified needs. We assessed whether these documents met Federal requirements regarding identifying, tracking, and reporting on skill gaps. Our team assessed documentation associated with USAID's workforce planning tools and its Workforce Planning Model to determine the tools' status and intended use in the Agency's overall workforce planning efforts. We reviewed USAID-provided strategies, plans, and policies and procedures to identify the extent to which the Agency had undertaken efforts to address skill gaps. We interviewed key officials, including administrative and management support and executive officers, as well as HCTM officials responsible for workforce planning and performance management, to discuss the types of hiring mechanisms used to address skill gaps and the extent to which USAID-created guidance existed to identify, track, and report on skill gaps. We also used these interviews to determine the extent to which HCTM was engaged with USAID operating units to aggregate human capital metrics across the Agency and ensure the accuracy of staffing metrics across its various internal and external reports. We reviewed formal USAID policies and procedures related to hiring needs and priorities and requested any materials produced at the operating unit level related to these purposes.

Appendix B. USAID Common Hiring Mechanisms

Hiring Mechanism	Acronym	Subcategories	Location	Funding Source	Direct Hire	Authorizing Legislation/Policy	Description
Civil Service	CS	• Competitive service • Excepted service • Full time, part time, seasonal, on call, and intermittent	Washington, DC	Operating expense	Yes	• Competitive Service, Title 5 of the United States Code (U.S.C.), Section 3302 • Excepted Service, 5 U.S.C. § 3320	• CS employees are U.S. citizens and perform inherently governmental functions • The CS workforce also includes Administratively Determined employees and members of the Senior Executive Service • CS employees can fill overseas FS positions when they cannot be filled by FS Assignment System • Competitive service is categorized by career or career-conditional employment and adheres to 5 CFR § 315 • Excepted service, part time, seasonal, on call and intermittent service fits under "Other than full-time career employment"
Foreign Service	FS	• Temporary • Limited • Career appointment	• Washington, DC • Overseas mission	Operating expense	Yes	• Foreign Service Act, 22 U.S.C. § 3943 • 22 U.S.C. § 3948	• FS employees are U.S. citizens that typically serve 1 domestic 3-year tour in a 15-year period in overseas missions and perform inherently governmental functions • FS is organized by "backstops" that correspond to technical skills • Career appointment is an unlimited appointment for tenured employees
Foreign Service National	FSN	• Full time • Part time, intermittent, temporary	Overseas mission	• Operating expense • Program funds	No[a]	Overseas Employment, Volume 3 of the Foreign Affairs Manual, Section 7000	• FSNs are generally non-U.S. citizens hired by a USAID mission abroad • Some are dual citizens of the United States and host country • FSNs serve as an important bedrock in mission countries

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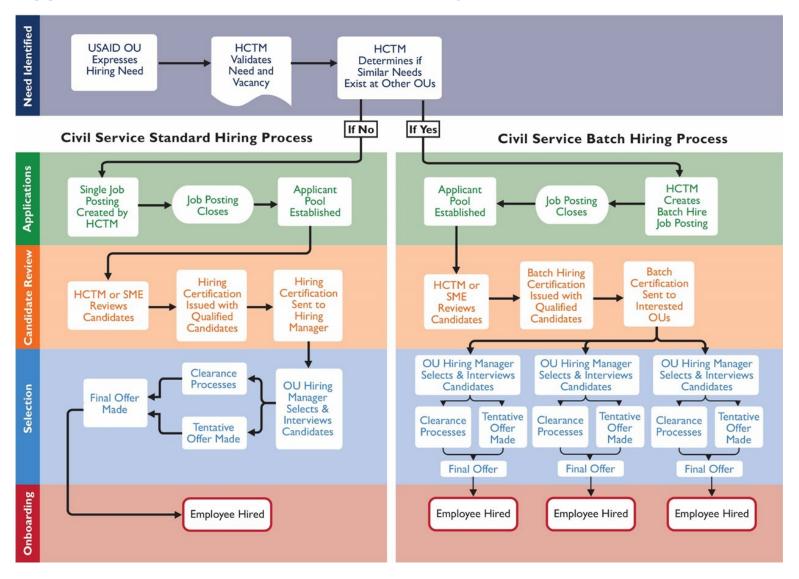| Hiring Mechanism	Acronym	Subcategories	Location	Funding Source	Direct Hire	Authorizing Legislation/Policy	Description
Foreign Service Limited	FSL	Not applicable	• Washington, DC • Overseas mission	• Operating expense • Program funds	Yes	• Omnibus Appropriations Act of 2009 • Foreign Service Act of 1980, Section 309	• FSLs are U.S. citizens directly hired by USAID to perform work in technical skill areas for urgent and unforeseen needs • FSL positions require unique, technical skills, and non-career FSLs do not participate in the FS Open Assignment System • Term limited between 1-5 years but considered up to 2-year increments with a maximum of 9 years • Operating expenses are used only if in support of assistance to Pakistan
U.S. Personal Services Contractor	USPSC	Not applicable	• Washington, DC • Overseas mission	Specific congressional appropriations and authorities	No	Foreign Assistance Act of 1961	• USPSCs are U.S. citizens contracted to work directly with USAID to perform technical or administrative work • USPSCs work in technical or administrative areas and can perform inherently governmental functions • USPSCs can staff inherently governmental roles, such as contracting officer's representatives, or supervise certain staff with prior approval from the Bureau for Management
Cooperating Country and Third-Country National (Personal Services Contractor)	CCN TCN	Not applicable	Overseas mission	Specific congressional appropriations and authorities	No	Foreign Assistance Act of 1961	• CCNPSCs are citizens of the host country contracted by USAID, while TCNPSCs are citizens of countries other than the U.S. and the host country contracted to work with USAID • CCNPSC or USPSC is preferred to a TCNPSC to best integrate the foreign assistance effort, enhance local population skills, and contribute to the local economy • TCNPSC positions are temporary and only used in certain circumstances • There is a 5-year maximum period of performance according to Federal Acquisition Regulation Part 17, and the contract must be closed at that time

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Hiring Mechanism	Acronym	Subcategories	Location	Funding Source	Direct Hire	Authorizing Legislation/Policy	Description
Participating Agency Service Agreement	PASA	Not applicable	• Washington, DC • Overseas mission	• Interagency agreement • Program funds	Yes	Foreign Assistance Act of 1961, Section 632(b)	• PASAs are U.S. direct hires of another Federal agency working for USAID under an interagency agreement to provide technical assistance and expertise • PASAs have a 5-year term that can be extended for an additional 2 years • Technical experts who are used when USAID U.S. direct hire (USDH) staff are unavailable • PASAs are being phased out to mitigate costs
Fellow	Fellow	Not applicable	• Washington, DC • Overseas mission	Cooperative agreements to domestic and international organizations, individuals, nonprofits, and for-profits	No	Not applicable	• Fellows are U.S. citizens who generally spend 1-2 years providing technical assistance and advice on USAID's programs, writing research papers, developing evaluation strategies, and completing other tasks to enhance Agency operations • Fellows do not perform inherently governmental work • Provided on an ad hoc basis
Institutional Support Contractor	ISC	Not applicable	• Washington, DC • Overseas mission	• Operating expense • Program funds	No	Not applicable	• ISCs are employees of a contractor and as such perform work as specified under the contract • ISCs can neither supervise USDH staff nor perform inherently governmental work • Limited to the contract's period of performance

a The vast majority of FSNs are personal services contractors, but some are direct hires.

Appendix C. USAID Civil Service Hiring Process

Need Identified

USAID OU Expresses Hiring Need → HCTM Validates Need and Vacancy → HCTM Determines if Similar Needs Exist at Other OUs

If No / If Yes

Civil Service Standard Hiring Process

Applications

Single Job Posting Created by HCTM → Job Posting Closes → Applicant Pool Established

Candidate Review

HCTM or SME Reviews Candidates → Hiring Certification Issued with Qualified Candidates → Hiring Certification Sent to Hiring Manager

Selection

Final Offer Made ← Clearance Processes ← OU Hiring Manager Selects & Interviews Candidates
Tentative Offer Made

Onboarding

Employee Hired

Civil Service Batch Hiring Process

Applications

Applicant Pool Established ← Job Posting Closes ← HCTM Creates Batch Hire Job Posting

Candidate Review

HCTM or SME Reviews Candidates → Batch Hiring Certification Issued with Qualified Candidates → Batch Certification Sent to Interested OUs

Selection

OU Hiring Manager Selects & Interviews Candidates | OU Hiring Manager Selects & Interviews Candidates | OU Hiring Manager Selects & Interviews Candidates

Clearance Processes / Tentative Offer Made | Clearance Processes / Tentative Offer Made | Clearance Processes / Tentative Offer Made

Final Offer | Final Offer | Final Offer

Onboarding

Employee Hired | Employee Hired | Employee Hired

Mot. Class Cert. J.R. 00217

Appendix D. Abbreviations and Acronyms

ADS	Automated Directives System
CCN	cooperating country national
CS	civil service
CFR	Code of Federal Regulations
CEDAR	Competency Exploration for Development and Readiness
FS	Foreign Service
FSC	Foreign Service Center
FSL	Foreign Service Limited
FSN	Foreign Service National
FY	fiscal year
GAO	Government Accountability Office
HCSC	Human Capital Services Center
HCTM	Office of Human Capital and Talent Management
HRRB	Hiring Reassignment and Review Board
ISC	institutional support contractor
ISWP	Interim Strategic Workforce Plan
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PASA	participating agency service agreement
TCN	third-country national
USAID	U.S. Agency for International Development
USPSC	U.S. personal services contractor

Appendix E. Agency Comments

MEMORANDUM

TO: **Emily Gardiner, Director, USAID Office of Inspector General, Global and Strategic Audits Division and Latin American and Caribbean Regional Office**

FROM: **Peter Malnak, Acting Chief Human Capital Officer, Office of Human Capital and Talent Management**

DATE: **April 6, 2022**

SUBJECT: Management Comments to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, Strategic Workforce Planning: Challenges Impair USAID's Ability to Establish a Comprehensive Human Capital Approach (9-000-22-00X-P) (Task No.99100120)

The U.S. Agency for International Development (USAID) would like to thank the Office of the Inspector General (OIG) for the opportunity to provide comments on the subject draft report. The Agency agrees with the recommendations, herein provides plans for implementing them, and reports on significant progress already made. The Agency has included technical comments in Tab A.

COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ON THE REPORT RELEASED BY THE USAID OFFICE OF THE INSPECTOR GENERAL (OIG) TITLED, Strategic Workforce Planning: Challenges Impair USAID's Ability to Establish a Comprehensive Human Capital Approach (9-000-22-00X-P) (Task No. 99100120)

Please find below the management comments from USAID on the draft report produced by the OIG, which contains five recommendations for USAID:

Recommendation 1: Develop a plan to fill and retain the allocated number of Office of Human Capital and Talent Management staff needed to fulfill its duties in the hiring and onboarding process.

- **Management Comments:**

USAID agrees with this recommendation. However, in the time since the audit commenced and this draft audit report was issued, the Office of Human Capital and Talent Management (HCTM) has filled staffing vacancies and addressed areas of concern with hiring and onboarding. HCTM has hired for the immediate position needs, and additionally hired beyond its allocation.

As of March 28, 2022, HCTM's full-time equivalent (FTE) allocation is 129 Civil Service (CS) employees, of which 116 are onboard and 23 candidates are in the pipeline at various stages in the hiring process. The pipeline candidates' progress is documented in the CS Hiring Tracker (Tab B).

USAID has long relied on a range of term-limited, non-career, and often non-direct-hire (NDH) mechanisms to staff its ongoing, continuous needs and emerging needs. This has led to a lack of clarity on the skills needed to properly support the agency's mission, an inflexibility to be responsive to changing global dynamics, or the ability to deploy the appropriate staff quickly to a crisis area when a need arises. These creative approaches are only temporary fixes to address staffing needs amid growing program budgets and responsibilities. This has resulted in costly inefficiencies and staff who are working side-by-side under managers who must deal with different pay, benefits, and performance systems. To address this more permanently, HCTM will need additional U.S. direct-hire (USDH) FTE allocations to support current and new initiatives, emerging needs, and real time crises. Additional USDH FTEs would provide HCTM with the flexibility to support current and new agency priorities that reflect USAID's position in the National Security Council (NSC). Plans for additional FTE approval are currently in discussion with Agency leadership.

To address retention concerns, HCTM will develop a data-driven retention plan which will reflect results from pulse surveys, exit interviews and surveys, a review of incentives and performance awards, and consideration of stay interviews. There have already been three iterations of the government-wide pulse surveys managed by the General Services Administration (GSA), in coordination with and piloted by the U.S. Office of Personnel

Management (OPM) and the Office of Management and Budget (OMB) in October 2021, January 2022, and late March 2022, respectively. These have been part of the "Employee Voice" pulse survey pilot initiative launched by the President's Management Council (PMC). The pulse surveys are disseminated to the USAID workforce by the Deputy Administrator for Management and Resources. The surveys ask participants to share feedback about their level of engagement with the mission, concerns or support satisfaction for workplace safety, support for diversity, equity, inclusion, and accessibility (DEIA), and overall satisfaction in their jobs. The government-wide results can be found at performance.gov.

- **Target Completion Date:** September 30, 2025

Recommendation 2: Develop and disseminate policies for the revised Civil Service recruitment and hiring process and standard operating procedures for the modified Foreign Service staff hiring and onboarding processes.

- **Management Comments:**

A. CS Recruitment and Hiring Processes

Procedures: HCTM is working to finalize the following revisions to procedures for CS recruitment and hiring processes:

   1) *Hiring Manager Guide*

This guide will help hiring managers track their hiring actions and anticipate next steps along the way. This guide includes process overviews, how-to instructions, reference materials, quick tips, and key points of contact on all areas of the hiring process—from identifying a hiring need to welcoming a new hire.

   2) *Recruitment and Hiring Standard Operating Procedure (SOP)*

This SOP will serve as a step-by-step guide for Human Resources (HR) Specialists to understand their role in the process of recruiting, hiring, and onboarding a new employee. The SOP will also provide guidance on collaboration with different Centers within HCTM (e.g., External Outreach and Strategic Recruitment (XOSR)) to enhance the diversity of applicant pools and instill more rigor in the process to ensure that all applicants are given equal consideration. The SOP will reflect the process for the recruiting and hiring process from when it starts at the point a position becomes vacant (or is newly funded) to the point a new employee comes onboard.

   3) *Hiring Manager Training Plan*

HCTM conducts ongoing training with hiring managers throughout the Agency to help make the hiring process more transparent and to help hiring managers better understand their role in the process. The training is delivered to supervisors from each individual Bureau and Independent Office (B/IO) to ensure that the training is tailored to the specific hiring needs of each B/IO. Training topics include the development of a job analysis, strategic hiring conversations, and

best practices for the interview panel.

　　　　　4)　*HR Advisor Playbook*

The HR Advisor is a new role that HCTM is working to roll out to the wider Agency. The Playbook will be a step-by-step guide of projects and meeting agendas that an HR Advisor can use to interact with line managers. Ultimately, the goal of this position will be to provide each line manager with a knowledgeable HR Advisor to assist with a variety of HR-related questions and someone within HCTM to advocate on their and their employees' behalf.

Policies: HCTM is in the process of implementing the following CS hiring and recruitment-related actions:

1) Drafting a single, comprehensive Automated Directives System (ADS) chapter on CS recruitment and hiring. This single chapter will combine ADS chapter 418 "*Merit Staffing Program for Civil Service Employees*" and ADS chapter 469 "*Civil Service Personnel Recruitment*;"

2) Ensuring that hiring policies have clearly defined roles and responsibilities to increase accountability, reduce miscommunication, and improve the understanding of participants in the recruitment and hiring process;

3) Developing a USAID definition for fair and equitable hiring to apply to all ADS CS hiring chapters (i.e., ADS 418 and ADS chapter 460 "*Pathways Programs*");

4) Updating and integrating the Electronic Questionnaires for Investigations Processing (e-QIP) CS recruitment package overview document into the new ADS chapter on CS recruitment and hiring;

5) Revising the ADS section on the "Hiring Process" (ADS 418.3.8) to clarify the process of updating hiring packages;

6) Revising the ADS section on "Selection" (ADS 418.3.8.15) to outline and require equitable practices for hiring;

7) Strengthening ADS chapter 460 to clearly explain the hiring process for Pathways Programs;

8) Revising ADS Chapters 418 and 460 to amplify the Agency's efforts to reduce barriers to entry for a diverse and equitable workforce across B/IOs;

9) Improving the effectiveness of communications, training, and customer service to promote consistent implementation of CS recruitment and hiring policies and practices;

10) Strengthening USAID staff and potential applicant awareness of USAID's recruitment plans; and

11) Establishing a working group that includes representatives from HCTM, the Office of Diversity, Equity, Inclusion, and Accessibility (DEIA) within the Office of the Administrator, the Office of Civil Rights (OCR) and the Bureau for Management (M)'s Office of the Chief Information Officer (M/CIO) with the objective to develop a dashboard or reference tool to make it easier to understand the Agency's success in meeting its hiring targets while also using fair and equitable hiring practices.

B. Foreign Service (FS) Hiring and Onboarding Processes

HCTM's Foreign Service Center (FSC) revised its hiring and onboarding processes as a result of the COVID-19 pandemic restrictions, moving to an all-virtual format for candidate interviews, group discussions, and writing tests. This format allowed FSC to meet its hiring targets by the end of FY 2021. These process changes are documented in detailed internal guidance for staff who implement the virtual hiring panels. HCTM/FSC has also developed and delivered training to agency staff who participate in FS hiring review and selection panels. HCTM/FSC is in the process of formally codifying these modifications as revisions to ADS chapter 468 "*Foreign Service Personnel Recruitment*" and other operational guidelines.

HCTM/FSC is updating and securing clearances on a partial revision to ADS chapter 468 "*Foreign Service Personnel Recruitment*." This chapter provides the policy directives and required procedures that govern the recruitment and selection of applicants for appointments as FS career candidates. Revisions will be made in the areas of:

- Adding the establishment of a hiring roster to enable USAID to swiftly bring candidates onboard when additional officers are needed, as well as recruitment through the Payne Fellowship program;
  - The hiring roster is a roster of applicants who have been selected and are ready to onboard once a need is identified.
- Clarification that assessments may be conducted virtually;
- Clarification around the composition of the Technical Selection Committee;
- Clarification around procedures for requesting a reasonable accommodation; and
- Clarification around the age-at-hire restrictions, timing of salary offer letters, and the addition of the new Backstop 70, Humanitarian Assistance Officer.

In addition, HCTM/FSC plans to revise its 2019 Standard Operating Procedures to reflect the changes made through the use of virtual assessment tools. HCTM/FSC is transitioning from using the Entry on Duty System (EODS) to the LaunchPad-hosted Navigate, USAID's new onboarding tool, by June 30, 2022. HCTM/FSC will conduct an assessment of the transition after six months and address any issues that may arise.

- **Target Completion Dates:** September 30, 2023

Recommendation 3: Create a USAID-specific definition of skill gaps to address both competency and staffing skill gaps across its hiring mechanisms.

- **Management Comments:**

USAID agrees with this recommendation. USAID currently does not have a USAID-specific or widely agreed-upon skill gaps definition. Often, skills gaps are defined at the operating unit (OU) level without overarching guidance from the Agency. The FS is further along in its ability and progress to identify skills gaps than the CS side. For both CS and FS, however, there is a need for analysis and clearly defined processes at identifying skill gaps and job series that are critical to completing the job and mission.

USAID concurs with the distinction made by the Government Accountability Office (GAO) between staffing gaps and competency gaps as referenced in the OIG draft report. Specifically, a skills gap can manifest as either a staffing gap or a competency gap. However, a staffing gap arises when an agency does not have the necessary number of staff available to perform specific duties. A competency gap arises when the agency may or may not have an adequate number of employees, but those employees lack some of the skills needed to perform their function. USAID will make these distinctions as we work toward a widely accepted definition for the Agency.

HCTM leadership believes that skills gap identification should be woven into the hiring life cycle, from recruiting to onboarding to performance management to succession planning. Skill gaps identification should also inform the choices of training and career paths for staff. To help in identifying skill gaps, FS, CS, and Foreign Service Nationals (FSNs) employees can reference the competency and proficiency catalog (Tab C). In addition, FS and Senior Foreign Service (SFS) employees use the FS/SFS skills framework (Tab D) to identify skills needed to progress throughout their careers. This skills framework includes the 1) titles and definitions for the FS/SFS core skills and subskills and 2) proficiency indicators that define how each sub skill should be demonstrated across each grade level.

For FS, there is also a skills validation process integrated into the assignment cycle. Overseas USAID Missions continually assess and update their skills needs and capture them in PDs used in recruiting. In performing these assessments, Missions are well-positioned to anticipate and plan for skills shortfalls through new positions and future assignments. These assessments occur every six to twelve months during the position validation process, and about 30-40 percent of FS domestic and overseas positions are validated each year. HCTM's Office of Workforce Planning, Policy, and Systems Management (PPSM) is involved in this validation process by helping to determine allocations allowable with Operating Expenses (OE) funding. In the future, HCTM anticipates that overseas Missions will validate all their FS positions more frequently through the recently released Position Validation tool in LaunchPad.

For CS, USAID plans to pilot an effort to create proficiency maps similar in concept to the FS for Mission Critical Occupations (MCOs). USAID does not currently have a list of MCOs. In March 2021, OPM agreed that none of the Agency-specific MCOs that were identified government-wide are currently high-risk at USAID. Nonetheless, USAID plans to develop its

own internal list of targeted positions that are high risk to recruit and/or retain for the Agency. The proficiency maps for the MCOs will include a baseline of competencies. These competencies will be reviewed and updated regularly to assess available skills to agency needs, in an effort to expose and plan for gaps.

As described in the USAID HR Transformation Strategy and Action Plan (Tab E), many CS career professionals do not have a clear path to career progression within the Agency. HCTM would like to develop multi-tiered, professional career ladder positions (up to General Schedule (GS)-13) to enable potential entry for junior staff into the Agency and promote career advancement opportunities. HCTM has discussed engaging with B/IOs to pilot a program to identify certain positions in critical job series, such as HR Specialists and Contracting Officers for initial skills analysis. HCTM will develop and provide guidance to B/IOs on performing a skills analysis including clear milestones to progress to the next level. However, HCTM will require additional staffing and funding resources to do this.

Skills gap identification is complex, and consistency in same or similar positions in different B/IOs is a challenge as they may have different job requirements or grades/career ladders. HCTM will work to establish consistency across the Agency in requirements for similar occupational series positions to assist in identifying and navigating requirements for career progression. For key CS positions, HCTM will define core competencies and PDs that will support career ladders. Individual development plans will detail required skills and training necessary to ascend the career ladders and performance management will allow for tracking and accountability.

- **Target Completion Date (for Civil Service pilot):** September 30, 2023

Recommendation 4: Finalize strategic workforce planning guidance, to include USAID's updated Strategic Workforce Plan, workforce planning Automated Directives System chapter, and materials to assist Agency operating units in identifying and addressing skill gaps.

- **Management Comments:**

USAID agrees with this recommendation. The Interim Strategic Workforce Plan (ISWP), which was a report rather than a strategy, requires an annual update per Congressional requirement. HCTM plans to submit the next report by May 15, 2022.

HCTM has drafted ADS chapter 417 titled "Agency Workforce Planning," which is currently in the clearance process. The new chapter includes an overview of the roles and responsibilities for workforce planning; the procedures followed to develop and implement workforce plans and strategies; and the process for allocating CS and FS positions in Washington and FS positions overseas.

Per the response to Recommendation 3, the Agency will take steps to arrive at a definition of skill gaps. Once this is established, HCTM/PPSM Workforce Planning and Program (WPP) Division will develop and publish overarching guidance for all OUs. This guidance will be adaptable given the inherent differences across and individual challenges for the FS and CS.

- **Target Completion Date:** December 31, 2022

Recommendation 5: Conduct an analysis to determine whether personnel tools—e.g., Talent Analytics, LaunchPad, the Workforce Planning Model, or CEDAR—can be utilized to track skill gaps at both an Agency and operating unit level and implement changes as appropriate based on this analysis.

- **Management Comments:**

USAID agrees with this recommendation. However, USAID will need to make progress in defining and identifying skill gaps before determining the appropriate personnel system/tools for Agency and OU-level tracking. At this time, and based on its current functionality and purpose, HCTM does not recommend Talent Analytics as the right tracking tool.

Target Completion Date: September 30, 2023

Appendix F. Major Contributors to This Report

Members of the audit team include:

- Emily Gardiner, Audit Director

- Kristen Lipuma, Assistant Director

- Meredith Howell, Lead Analyst

- Tifani Dyson, Analyst

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- Justin Markley, Analyst

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The audit team would also like to acknowledge contributions from Joanne Howard, Saifuddin Kalolwala, and Carlos Molina.

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